

MINORITY BUSINESS ENTERPRISE (MBE) AND OTHER SOCIOECONOMIC POLICIES

Unlike the private sector, the objective of state procurement is not only to obtain the best product or service for the best price, but also to provide economic stimulus and job training opportunities to small businesses, the socio-economically disadvantaged and those who may not have been given adequate opportunity to develop job skills. The socioeconomic policies contained in COMAR 21.11¹ set forth various preferences and procedures to accomplish this goal.

I. Minority Business Enterprises

COMAR 21.11.03.03 defines a minority business enterprise as “any legal entity, other than a joint venture, organized to engage in commercial transactions, that is at least 51 percent owned and controlled by one or more minority persons, or a non-profit entity organized to promote the interests of the physically or mentally disabled.” The Maryland General Assembly has established an MBE participation goal of 25%, with 7% going to African American owned MBE's and 10% going to women owned MBE's. Methods used to achieve the Department's MBE goal include executing contracts with MBE's (direct solicitation), by requiring a certain percentage of the work in a contract be subcontracted to MBE's (MBE Subcontract Method) or a combination of both (Combination Procurement Method).

II. Procurement from State Use Industries, Blind Industries and Services of Maryland, and Certified Shelter Workshops

Except for some very specific circumstances, procurement regulations mandate that all procuring agencies procure available supplies and services from State Use Industries (SUI), Blind Industries and Services of Maryland (BISM), or a Certified Shelter Workshop. Each of these selling entities must be contacted in the order in which each appears in the title of the regulation, i.e., SUI first, BISM second, and Certified Sheltered Workshops third.

III. Small Business Preference

In this section of procurement regulations, the Department of General Services (DGS) is mandated to, “compile, maintain, and regularly update the small business vendor list and shall make it available for use by other agencies.” A small business is any vendor that successfully meets the criteria identified in COMAR 21.01.02.01B(80). Regulations allow a preference to be given to vendors on the small business vendor list for those solicitations

¹ The Code of Maryland Regulations is abbreviated COMAR and always cited by Title, Subtitle, Chapter, Subchapter, Paragraph and Line. Thus Title 21 (State Procurement Regulations), Subtitle 11 (Socioeconomic Policies), would be cited COMAR 21.11. To view this, or any section of COMAR, go to COMAR On-line at the Division of State Documents web site: http://constmail.gov.state.md.us/comar/dsd_web/default.htm.

deemed appropriate by DGS. Such solicitations will indicate that a small business preference is to be given. The small business preference may only be given to vendors responding to procurements of the Departments of General Services and by extension, DHMH procurements done under a DGS delegation of authority.

IV. Other Preference Procurements

COMAR allows various other preferences, all of which are applied to Department of General Services or Department of Transportation. These include preferences such as implementation of the Buy American Steel Act, price preferences applied to the purchase of recycled materials, especially paper goods, low noise supplies, and vending facilities on property controlled by the Department of General Services.

In order for your company to be considered as an MBE contractor, or under any of the other socioeconomic categories, you have to be currently certified through the State's MBE program. To learn more about the State of Maryland's MBE programs or to file an application for certification go to http://www.mdot.state.md.us/MBE_Program/index.html